

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

98-1111

2. STATE:

New Jersey

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

Title XIX

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 20, 1998

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
1903(g) of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 1998 \$ -0-

b. FFY 1999 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, pages I-267, I-267.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, pages I-265, I-266 of
pending State Plan Amendment 97-16

*** SEE REMARKS

10. SUBJECT OF AMENDMENT:

Disproportionate Share Hospital Adjustment and Payment: Hospital Closure

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Pursuant to 7.4 of the Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

William Waldman

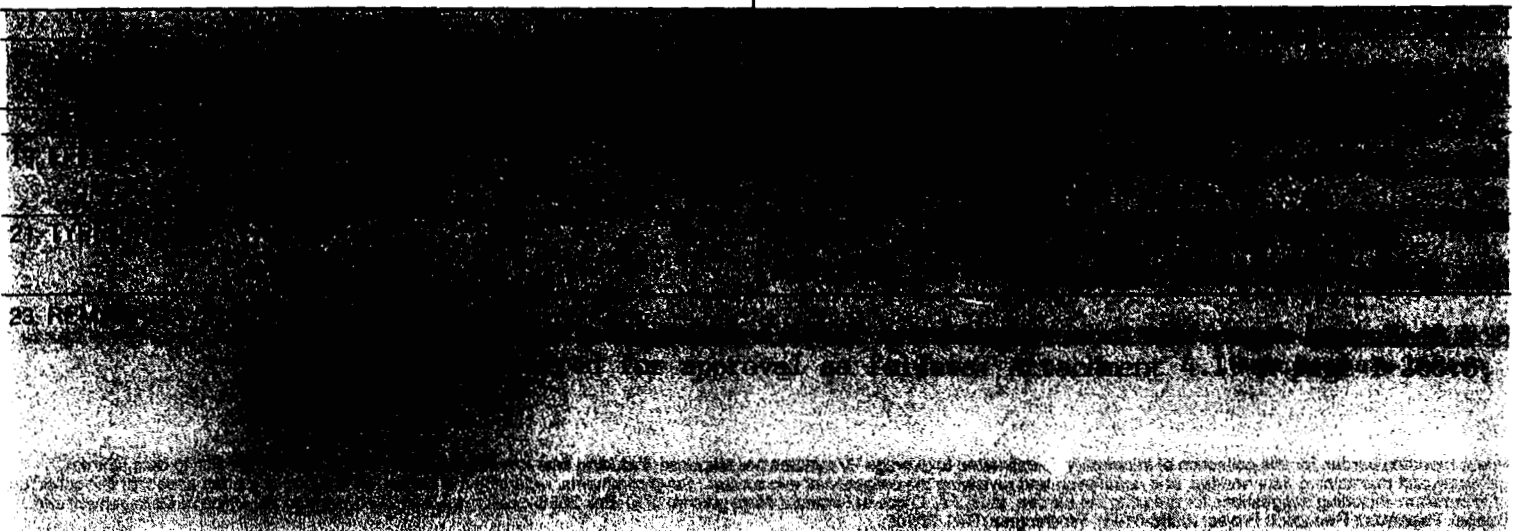
14. TITLE:

Commissioner

15. DATE SUBMITTED:

16. RETURN TO:

Division of Medical Assistance
and Health Services
P.O. Box 712
Trenton, New Jersey 08625-0712



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Instate Acute Care Inpatient Hospital Services
Disproportionate Share Adjustments

7.2. Reallocation of Undistributed United Hospital Medical Center's Calendar Year 1998
Charity Care and Hospital Health Care Subsidy Balances

a) The payments of all DSH funds to the closed hospital shall cease and in calendar year (CY) 1998, and each year thereafter, the payments that would have gone to UHMC had that hospital not closed, shall be reallocated and distributed to eligible hospitals in accordance with Federal and State laws, rules and regulations.

b) For the 1998 Charity Care allocation, the Division shall exclude all data pertaining to the United Hospitals Medical Center (UHMC).

c) In calendar year 1998, and each year thereafter, when the source hospital data precedes calendar year 1997, a Hospital Relief Subsidy Fund (HRSF) allocation that would have gone to UMHC shall be initially calculated. Then, the reallocation of UMHC's calculated HRSF allocation shall be calculated and distributed to eligible disproportionate share hospitals using the same data as was used for the original allocation, with the exception of market share admission data, which shall be taken from the most recent available UB-PS hospital data in the following manner:

(i) Disproportionate share hospitals eligible to receive a portion of UHMC's calculated HRSF allocation shall satisfy both of the following independent criteria:

1. An eligible hospital shall draw its patients from the same neighborhoods, identified by zip codes, that UHMC served. Zip codes are included in the definition of UHMC's market area if they represent areas from which UHMC drew one percent or more of its adult admissions or 2.5 percent or more of its pediatric admissions; or if UHMC's admissions represented five percent or more of admissions to all hospitals from that zip code.

2. An eligible hospital shall have a market share of five percent or more of problem-billed admissions as defined in at Attachment 4.19A: 7.1-(ii)a) through g) above. The market share problem-billed admissions shall be based on the number of admissions from the same neighborhoods, identified by zip code that UHMC served as defined in 1 above, for the problem-billed categories as defined in this Plan.

98-1- MA (NJ)

TN 98-01 JUN 06 2001
Supersedes TN New Effective Date JAN 20 1998

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Instate Acute Care Inpatient Hospital Services
Disproportionate Share Adjustments

7.2. Reallocation of Undistributed United Hospital Medical Center's Calendar Year 1998
Charity Care and Hospital Health Care Subsidy Balances (continued)

(ii) The available HRSFs to be reallocated shall be distributed among eligible hospitals based upon the eligible hospital's percentage of market share problem-billed admissions as a percentage of all market share problem-billed admissions of eligible hospitals. The reallocated funds shall be distributed on a monthly basis.

d) In the event of any future hospital closings, DSH payments to the closed hospital will cease and State laws and/or rules will be enacted or promulgated, respectively, to specify the eligible hospitals and the calculation and distribution of the closed hospital's(s') DSH payments.

98-1- MA (NJ)

TN 98-01 Approval Date JUN 06 2001
Supersedes TN New Effective Date JAN 20 1993